

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**Session 2013**

**Legislative Fiscal Note**

**BILL NUMBER:** House Bill 1221 (First Edition)

**SHORT TITLE:** Limit E-Verify Exemption/Agriculture Industry.

**SPONSOR(S):** Representatives Riddell, Whitmire, Brody, and Dobson

<b>FISCAL IMPACT</b>					
(\$ in thousands)					
	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> No Estimate Available		
<b>State Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>
General Fund Revenues:	0.0	0.0	0.0	0.0	0.0
General Fund Expenditures:	100.0	0.0	0.0	0.0	0.0
<b>NET STATE IMPACT</b>	<b>(\$100.0)</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

**PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:** Department of Labor

**EFFECTIVE DATE:** October 1, 2014

**TECHNICAL CONSIDERATIONS:**  
None

**BILL SUMMARY:**

HB 1221 amends G.S. 64-25, by changing the definition of employee for the purposes of determining which employees must be processed through the federal E-Verify program. Currently, employers with employees that work for less than nine months in a year are not required to verify the employees work eligibility through the E-Verify program. HB 1221 narrows the current nine month exemption to only exempt employees in the agriculture, agribusiness, landscaping, and forestry sectors from the E-Verify requirement. Employers with employees that work less than nine months in a year, but are not employed in an agricultural field, would now have to verify their employees work eligibility through E-Verify.

HB 1221 also appropriates \$100,000 from the General Fund to the Department of Labor for the 2014-15 fiscal year to create materials and programs that can be used to train employers on the requirements of G.S. Chapter 64, Article 2.

**ASSUMPTIONS AND METHODOLOGY:**

The Department of Labor enforces the E-Verify work requirements detailed in Article 2 of G.S. 64 by responding to inquiries or complaints from concerned individuals that suspect an employer is employing individuals not authorized to work in the United States.

While limiting the current nine month exemption to agriculture, agribusiness, landscaping, or forestry sectors subjects certain previously-exempted types of employers to the E-Verify requirement, it is not anticipated that the number of complaints received by the Department of Labor would substantively increase. The Department of Labor concurs with staff's assumptions and indicates that any increase can be administered with existing resources.

**SOURCES OF DATA:** Department of Labor

**TECHNICAL CONSIDERATIONS:** None

**FISCAL RESEARCH DIVISION:** (919) 733-4910

**PREPARED BY:** Timothy Dale

**APPROVED BY:**

Mark Trogon, Director  
**Fiscal Research Division**

**DATE:** June 11, 2014



**Signed Copy Located in the NCGA Principal Clerk's Offices**